

4.0 Sponsor Eligibility

The threshold criterion for determining sponsor eligibility to receive state funding is inclusion in the *Virginia Air Transportation System Plan*. In order for an airport sponsor to be eligible to request and receive state discretionary, facilities and equipment, general aviation security, and maintenance funding, the following criteria must be met:

- An airport shall be licensed by the Commonwealth of Virginia and be open to the public in accordance with *Code of Virginia* §5.1-7 and the *Virginia Aviation Regulations*.
- An airport shall be designated a “system airport” in the *VATSP* or the sponsor is deemed eligible by the written opinion of the state Office of the Attorney General, made in conjunction with the Virginia Department of Aviation’s recommendation.
- An airport sponsor shall have an airport layout plan approved by DOAV and the Federal Aviation Administration as appropriate.
- An airport sponsor shall be in compliance with all minimum requirements for licensing as defined in *Virginia Aviation Regulations* 24 VAC 5-20-140.
- An airport sponsor shall have submitted an *Annual Based Aircraft Survey* to DOAV no later than January 31 of each year in accordance with *Virginia Aviation Regulations* 24 VAC 5-20-350.
- An airport sponsor shall have submitted an *Annual Certificate of Financial Responsibility* to DOAV by January 31 of each year in accordance with *Code of Virginia* §5.1-88.7.
- An airport sponsor shall own the real property or have an adequate interest in the property on which a project will be undertaken, and the ownership or interest shall be clearly shown on an airport property map approved by DOAV and FAA as appropriate.
- An airport sponsor shall have a current six-year Airport Capital Improvement Plan (ACIP) on file with the department in order to receive any state discretionary funds.
- Public entities interested in developing new airports must be designated as a sponsor in writing by the state Office of the Attorney General before becoming eligible to receive state funding.

In order to receive state entitlement funds, the sponsor of an air carrier airport must provide DOAV with a one-time certification to ensure that the sponsor:

- is eligible for state entitlement funds
- will spend state entitlement funds in accordance with *Code of Virginia* §5.1-2.16

In order to receive state discretionary funds, the sponsor of an air carrier airport must provide DOAV with an annual accounting of the expenditure of state entitlement funds, including accrued interest, within 30 calendar days after the close of the fiscal year. This reporting is in addition to the criteria listed above.

4.1 Special Eligibility Requirements

In addition to the criteria listed above, several special eligibility requirements apply to sponsors of privately owned public-use airports. These include credit line deeds of trust, credit line deed of trust notes, and assumption agreements.

4.1.1 Credit Line Deed of Trust

To protect the Commonwealth's investment in privately owned public-use airports, the Virginia Aviation Board has determined that a credit line deed of trust will be entered into between the department and airport sponsor before the sponsor is eligible to receive a grant agreement. Prior to requesting grant funding, the sponsor will submit a written request to DOAV for a credit line deed of trust. The total value of the credit line deed of trust equals department-funded improvements plus the current appraised value of the airport real property. The limit does not necessarily have to be as high as the current appraisal value. The department will assess the cumulative value of possible future grants from the sponsor's six-year ACIP in consultation with the sponsor to arrive at a value that will be used. Any costs associated with establishing the value of the property will be borne by the sponsor.

The department will prepare a credit line deed of trust for the sponsor, who in turn will execute the document and return it. The department will have the credit line deed of trust recorded in the appropriate jurisdiction(s). All fees related to the actual recordation plus the department's attorney fees related to the preparation of the credit line deed of trust, not to exceed \$500, will be borne by the sponsor.

Once the total value less amortization of all executed grant agreements equals the value of the original credit line deed of trust, a new credit line deed of trust will be required.

4.1.2 Credit Line Deed of Trust Note

The credit line deed of trust note is the instrument that is used to draw funding from the original credit line deed of trust. A trust note is required for each grant offer made to a privately owned public-use airport. DOAV will provide a trust note with each grant offer.

4.1.3 Assumption Agreements

When ownership of an airport changes, the new owner must assume responsibility for all existing agreements or reimburse the Commonwealth the balance of the amortization. Examples of such agreements are grant agreements and credit line deeds of trust.

The department will draft an assumption instrument that denotes the conditions of the agreement. The new owner must complete the assumption agreement within 60 calendar days of the purchase of the airport. Failure by the new owner to execute the assumption agreement will jeopardize the transfer of the airport license and future funding eligibility.